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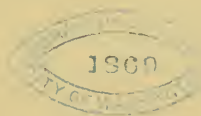
The Carpet Manufacture.

A STATEMENT OF FACTS

ADDRESSED TO THE

UNITED-STATES REVENUE COMMISSION.

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1866.

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STATEMENT.

To the United-States Revenue Commission.

GENTLEMEN, — The undersigned, representatives of five of the large Carpet Manufacturing Companies of the United States, employing an aggregate capital of \$6,600,000, — viz., George Roberts, Treasurer of the Hartford Carpet Company, Connecticut; E. S. Higgins, partner of the firm of E. S. Higgins & Co., New-York City; Samuel Fay, Superintendent of the Lowell Manufacturing Company, Lowell, Mass.; M. H. Simpson, President of the Roxbury Carpet Company, Roxbury, Mass.; and Charles A. Whiting, Treasurer of the Bigelow Carpet Company, Clinton, Mass., — in response to your inquiry in relation to the condition and wants of the great industries of the country, with a view of reporting to Congress upon the subject of raising revenue by taxation, respectfully submit the following statement in regard to the carpet manufacture.

The carpets manufactured in this country consist largely of three varieties: viz., two-ply and three-ply ingrain carpets; tapestry Brussels and tapestry velvet carpets, printed on the warps; and Brussels and Wilton carpets, wrought by the Jacquard machine. Venetian and other descriptions of carpets are also made here, and likewise mats and rugs; but the peculiar condition and wants of this important branch of industry can be fully understood by a consideration of the facts applicable to the three varieties of carpets above designated.

In the manufacture of carpets, *no domestic wools are used*, for the reason that they are not only too costly, but too fine to make a serviceable fabric. Canada combing-wool is used to a limited extent; but the main supply comes from Russia, Asia, and South America.

The wools used for carpets are subjected to the process called "combing," whereby the long fibres are separated from the shorter ones; the former being called *worsted*, and the latter *noils*. In ingrain carpets, the worsted forms the warp, and the noils the filling; whereas, in tapestry carpets and in Jacquard-wrought Brussels and Wilton carpets, only the worsted is used: flax or tow being used for the filling and a part of the warp, thus leaving the noils to be disposed of for other purposes. The market price of the noils is usually considerably below their cost; subjecting the manufacturer to a loss on the sale of them, which loss increases in a ratio greater than the cost of the wools from which they are made increases: consequently, the greater the duty on the wools, the greater the loss on the noils.

For carpets, both washed and unwashed coarse wools are used. The *washed* wools—such, for example, as Donskoi, Cordova, Montevideo, Rio Grande, and Persian—pay a duty of six cents a pound, and together produce an average of sixty-four *per centum* of their weight of finished goods; and the *unwashed*—such as Smyrna, Chilian, Valparaiso, and other South-American wools—pay a duty of three cents a pound, and average to produce thirty-two *per centum* of their weight of finished goods: that is, one hundred pounds of the various *washed* wools will produce an average of sixty-four pounds of finished goods; and one hundred pounds of the *unwashed*, thirty-two pounds of finished goods.

For particular colors in fine carpets, Canada combing-wool is indispensable; and if, after the expiration of the reciprocity treaty, it shall be subjected to the tariff of twelve cents a pound, and ten *per centum ad valorem*, the manufacture of such carpets will be very seriously embarrassed.

According to the English custom-house returns, the “declared value” (the value in England) of British carpets and druggets exported to the United States, in each year, from 1860 to 1864 inclusive, was as follows: viz., in 1860, £360,140; in 1861, £126,934; in 1862, £237,204; in 1863, £268,318, and in 1864, £280,442,—showing a decline during the last year of the war, as compared with the year previous to the war, of only £79,698.

From the best sources of information accessible, we estimate the present annual value of the carpets manufactured in the United States at \$15,000,000; the capital employed therein, at \$10,000,000; and the number of persons who derive their means of support therefrom, 10,000,—more than 5,000 being actually employed in the mills and workshops.

Though the existing duties on carpets may appear to be high, *apart from the premium on gold*, they afford very little protection to the manufacturer, for the reason that they are so largely neutralized by the duties on the wools and other imported materials used, the internal taxes, and the advance in wages and expenses, consequent upon the war.

The following Table shows the Sterling Cost in England of a RUNNING YARD (the Ingrains being a Yard wide, and all the others three-fourths of a Yard wide) of each of the Standard Qualities of the three Varieties of Carpets before designated; the Amount of the Customs Duties imposed thereon; the Amount of the Neutralizing Duties and Taxes, and of the Advance in Wages and Expenses, consequent upon the War; the Amount of the Customs Duties remaining as Protection after deducting the Neutralizing Duties, Taxes, &c.; and the Percentage of the same on their Foreign Cost.

| ITEMS. | Ingrain Carpets. | | Tapestry Carpets printed on the Warp. | | Carpets wrought by Jacquard Machine. | |
|---|------------------|------------------|---------------------------------------|------------|--------------------------------------|--------------------------------|
| | Super Two-ply. | Super Three-ply. | Brussels. | Velvet. | Five-frame Brussels. | Five-frame Wilton. |
| Cost of carpets in England | 3s. 2d. | 4s. | 3s. 2d. | 5s. 2d. | 5s. | 7s. 5d. |
| Duties on carpets | 35 cts. | 40 cts. | 37½ cts. | 60 cts. | 60 cts. | 50 per ct. <i>ad valorem</i> . |
| <i>Neutralizing Duties, Taxes, &c.; viz.:—</i> | | | | | | |
| Duties on the wools used | 10½ cts. | 14½ cts. | 10 cts. | 15 cts. | 21 cts. | 33 cts. |
| Duties on the linen and tow yarn | 2 " | 2½ " | 6 " | 8 " | 6 " | 8 " |
| Duties on drugs and other foreign materials | 7½ " | 9½ " | 3 " | 4½ " | 3 " | 4 " |
| Internal taxes on carpets | 6½ " | 7½ " | 7½ " | 12 " | 11½ " | 18 " |
| Advance in wages and expenses * | | | 8 " | 12 " | 10 " | 15 " |
| Totals of neutralizing duties, taxes, &c. | 26½ cts. | 34 cts. | 34½ cts. | 51½ cts. | 51½ cts. | 78 cts. |
| Deducting said totals from said duties on carpets, there remains, as protection, per yard | 8½ cts. | 6 cts. | 3½ cts. | 8½ cts. | 8½ cts. | 14½ cts. |
| Which, on their cost in England as above given, is only | 11½ per ct. | 6 per ct. | 4½ per ct. | 6½ per ct. | 7 per ct. | 8 per ct. |

* This item embraces the advance in wages, the internal taxes on domestic materials used in manufacturing and in repairs, increased cost of transportation, and the increase of State taxes and other expenses, consequent upon the war.

The statements in the above table, including the valuation of the carpets on which the internal tax is computed, are based on *gold at par*. They show, that, under the present adjustment of the tariff and internal-tax laws, with gold at par, the three principal varieties of carpets made in the United States — after deducting, from the amount of customs duties imposed on the manufactured article, the amount of the neutralizing duties, taxes, &c. — receive an average actual protection of less than seven and a half *per centum*; the highest rate on any one description being eleven and a half *per centum*, and the lowest four and a half *per centum*.

In deducing these results, no allowance is made for the impending duty on Canada wool, nor for the increased loss on the *noils* consequent upon the existing duties on other wools, as above explained.

The premium on gold, of course, gives a protection additional to the percentages above given, in the ratio in which the gold-cost of the imported carpets exceeds the gold-cost of the imported materials used by the home manufacturer, and, at its present rate (forty-five *per centum*), makes the aggregate amount of protection ample. But this form of protection is fluctuating and unreliable, and will wholly cease when gold falls to par. With a decline in gold, wages and expenses may decline somewhat, but not at once; nor can they ever fall to the standard which prevailed before the war, while the cost of the articles of subsistence is so largely enhanced by taxation. From the foregoing facts, it must be obvious to all acquainted with the conditions of manufacturing success in the United States, that, though the carpet manufacture, by reason of the premium on gold, is now amply protected under the existing revenue-laws, it will nevertheless be exposed to a ruinous foreign competition whenever the protection afforded by the gold-premium shall be withdrawn.

The carpet manufacture requires more complex, and consequently more costly, machinery, in proportion to the value of

its product, than that used in the manufacture of woollens; and some branches of it are of comparatively recent growth. Considering these facts, and the advantages which low wages, abundant capital, long-established and widely extended business connections, give to our foreign competitors, no specific duty on carpets amounting to less than twenty-five *per centum ad valorem*, above all neutralizing duties and taxes, would equalize these conditions, and place us on a fair basis of competition with them. In view of the large amount of capital invested in the carpet manufacture, and the great number of persons dependent upon it for their support, we would express the hope, that, in any re-adjustment of the tariff and internal-revenue laws which may be made, due consideration may be given to its peculiar necessities.

Very respectfully,

SAMUEL FAY,

Supt. Lowell Manufacturing Co.

M. H. SIMPSON,

President Roxbury Carpet Co.

CHARLES A. WHITING,

Treasurer of Bigelow Carpet Co.

GEORGE ROBERTS,

Treasurer of Hartford Carpet Co.

E. S. HIGGINS,

Of the firm E. S. Higgins & Co.,

New York.

COMMONWEALTH OF MASSACHUSETTS, }
COUNTY OF SUFFOLK. }

JANUARY 12, 1866.

Then personally appeared the above-named Samuel Fay, Superintendent of the Lowell Manufacturing Company; M. H. Simpson, President of the Roxbury Carpet Company; and

Charles A. Whiting, Treasurer of the Bigelow Carpet Company, and severally made oath that the foregoing printed statement, by them subscribed, is, according to their best knowledge and belief, true.

Before me,

A. W. ADAMS,

Justice of the Peace.

[Stamp.]

STATE OF CONNECTICUT, }
COUNTY OF HARTFORD. }

JANUARY 13, 1864.

Then personally appeared George Roberts, Treasurer of the Hartford Carpet Company, and made oath that the foregoing statement, by him subscribed, is true to the best of his knowledge and belief.

Before me,

ROBERT E. DAY,

Justice of the Peace.

[Stamp.]

CITY AND COUNTY OF NEW YORK, SS.

On this 18th day of January, 1866, personally appeared before me Elias S. Higgins, of the firm of E. S. Higgins & Co., and made oath that the foregoing printed statement by him subscribed, in accordance to his best knowledge and belief to be true.

H. FAY,

Commissioner of Deeds.

[Stamp.]

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